

# GST & ABN's

## I GOODS AND SERVICES TAX – 10%

GST registration is compulsory for all businesses with actual or projected turnover (income) of \$75,000 per annum. A business may register for GST if the turnover is less than \$75,000 but it is not compulsory to do so. You must however have an ABN in order to register for GST.

**a) Goods:** Mannatech includes 10% GST in the invoiced sales value for all Mannatech Products and Promotional Materials (MPM) supplied within Australia. Mannatech will remit the tax directly to the Australian Taxation Office (ATO).

**b) Services:** The ATO has ruled that commission paid by Mannatech to Associates is for services. Therefore if an Associate is registered for GST the Associate will be required to invoice Mannatech an additional 10% of the value of the commission as GST. If you have notified Mannatech of your GST registration (refer MOD 1808802- Tax Status Advice) the additional 10% GST will be automatically added onto any commission payments made to you and you will be sent a Recipient Created Tax invoice. You must retain this invoice for your tax records, and will be required to pay this GST on to the ATO when you lodge your Business Activity Statement (BAS).

If you have not notified Mannatech of your GST registration or need to retrospectively charge GST on commissions earned, a standard invoice has been provided on Material -on- Demand for this purpose MOD# 1805102 - Tax Invoice Form.

If you are NOT registered for GST you are NOT permitted by law to invoice Mannatech for GST.

If you need help in the administration, registration, and/or collection and payment of GST on your commissions, please speak with your accountant or the Australian Taxation Office.

## II WITHHOLDING TAX – ABN REGISTRATION

Any person operating a “business” may apply for an Australian Business Number. A business exists if you anticipate income, expenses and a profit.

The tax system requires Mannatech to deduct 46.5% Withholding Tax from each commission payment made to an associate where the payment is greater than or equal to \$75 UNLESS one of the following exists:

- a) the associate is registered with an Australian Business Number (ABN) and has advised Mannatech prior to the payment being made, or
- b) the associate has claimed an exemption from withholding due to their activities being no more than a hobby with no profit making purpose. This exemption must be advised in writing to Mannatech prior to the payment being made using MOD 1808802- Tax Status Advice, or
- c) the associate has claimed an exemption from Australian tax law and has advised Mannatech in writing prior to the payment being made using MOD 1808802- Tax Status Advice, or
- d) the associate's forward and backward extrapolated annual earnings from Mannatech are less than \$6000.

Registering your business with an ABN will allow you to claim legitimate business expenses on your income tax return. However, should you decide NOT to register, the 46.5% Withholding Tax (paid in your name to the ATO) will be a tax credit when you file your next income tax return.

If you do have an ABN please mail, or fax a completed MOD 1808802- Tax Status Advice form to Customer Service as soon as possible.

## III DUAL REGISTRATION – ABN & GST

GST registration automatically provides an ABN, however it is possible to have ABN registration without registering for GST.

Associates whose business income is \$75,000 or more per annum MUST register their business for GST, and can do so ON THE SAME FORM when registering for your ABN.

## IV FURTHER DETAILED INFORMATION FROM THE ATO

- ATO Website – [www.ato.gov.au](http://www.ato.gov.au)
- ATO Help Desk- Phone/fax: 132 860 or 132866

This information is provided in good faith as a guide only. If you have further queries you should contact your accountant or the ATO for advice specific to your needs and circumstances.

